

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 24

UNITED STATES PATENT AND TRADEMARK OFFICE

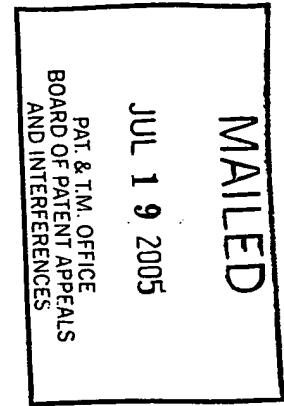
**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Ex parte EDWARD J. GRENCHUS, JR.,
ROBERT A. KEENE and CHARLES R. NOBS

Appeal No. 2005-1079
Application No. 09/524,366

ON BRIEF

Before KRASS, DIXON, and BLANKENSHIP, Administrative Patent Judges.
KRASS, Administrative Patent Judge.



DECISION ON APPEAL

This is a decision on appeal from the final rejection of claims 1, 2, and 5-10.

The invention is directed to a method of "demanufacturing" a product, specifically an electronic product, whereby information is collected regarding resale prices for individual parts, a resale price for the electronic product as a whole, and commodity

prices (each part comprises one or more commodities), a determination is made as to any hazardous material and labor expense to remove such material, and then a computer model is constructed and executed to determine the most financially advantageous way to dispose of the electronic product.

Representative independent claim 1 is reproduced as follows:

1. A method for optimally demanufacturing an electronic product to recover a largest revenue, said method comprising:

 providing said electronic product for demanufacturing, said electronic product having a plurality of parts, wherein each of said parts comprises one or more commodities;

 collecting a resale price for said electronic product;

 collecting one or more resale prices for one or more of said parts respectively;

 collecting one or more commodity prices for one or more of said commodities respectively;

 determining if said electronic product contains hazardous materials, and if so, determining a hazardous materials handling expense;

 determining a labor expense to remove said each of said parts from said electronic product;

 entering said resale price for said electronic product, said one or more resale prices for said one or more parts, said one or more commodity prices, said labor expense, and said hazardous materials handling expense, if any, into a computer model;

executing said computer model to determine a highest commodity value irrespective of said one or more resale prices for one or more of said parts, or said resale price for said electronic product;

executing said computer model to determine a highest removed parts value irrespective of said one or more commodity prices for one or more of said commodities, or said resale price for said electronic product;

executing said computer model to make a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue; and

in response to said determination, either offering said electronic product for resale, or removing said parts which were determined to be removed, if any, and offering said parts for resale, removing said hazardous materials, if any, separating any remaining parts into said commodities, and offering said commodities for resale.

The examiner relies on the following references:

Graff 5,802,501 Sep. 1, 1998

Suzuki et al. (Suzuki) 5,965,858 Oct. 12, 1999

Claims 1, 2, and 5-10 stand rejected under 35 U.S.C. §103 as unpatentable over Suzuki in view of Graff.

Reference is made to the briefs and answer for the respective positions of appellants and the examiner.

OPINION

The examiner alleges, at pages 3-5 of the answer, that Suzuki discloses each and every step of the method of claim 1 except for specifically mentioning any creation of a computer spreadsheet model for determining the highest revenue value of a commodity in order to determine which parts to remove and sell. However, the examiner cites Graff for a teaching of a computer model-based device for finding the highest commodity value of subcomponents of a property, and concludes from this that it would have been obvious to

...consider the revenue generated from recovered parts and the cost associated with removing said parts in determining which parts to disassemble and recycle from a larger property because this would prevent a recycler from recycling parts that were not cost effective to recover and would provide the highest profit to one in the recycling business (answer-page 6).

For their part, appellants argue that there are many features of claim 1 which are not taught or suggested by Suzuki (or Graff). These features include "determining a hazardous materials handling expense;" "determining a labor expense to remove each

of said parts from said electronic product;" "mak[ing] a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue;" and "executing said computer model to make a determination as to which of said resale price for said electronic product, said highest removed parts value less said labor expense, and said highest commodity value is greater and which of said parts, if any, should be removed from said electronic product so as to recover said largest revenue."

Moreover, appellants argue that there would have been no reason to combine the applied references since Graff is non-analogous art.

In rejecting claims under 35 U.S.C. §103, the examiner bears the initial burden of presenting a prima facie case of obviousness. See In re Rijckaert, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). To reach a conclusion of obviousness under §103, the examiner must produce a factual basis supported by a teaching in a prior art reference or shown to be common knowledge of unquestionable demonstration. Our reviewing court requires this evidence in order to establish a prima facie case. In re Piasecki, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-88 (Fed. Cir. 1984). The examiner may satisfy his/her burden only by showing some objective teaching in the

prior art or that knowledge generally available to one of ordinary skill in the art would lead the individual to combine the relevant teachings of the references. In re Fine, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988).

At the outset, we note that it would appear rudimentary that in deciding to sell an item, a seller would determine whether it is financially advantageous to sell the item as a whole or sell the individual parts, based on the price of the individual parts vis-a-vis the price of the whole item. It also appears to be basic common sense that all expenses, e.g., labor fees, hazardous material handling fees, would be taken into account when making the determination as to the best way to sell the item, since the cost of disassembling a product containing hazardous materials would add to the seller's cost of selling the item's individual parts. These are factors, or considerations, undertaken by the seller of any item and it would seem an obvious manifestation of this mental exercise to automate the process on a computer.

However, having said this, "[d]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001). Furthermore, "the Board's findings must extend to all material facts and must be documented on the record, lest the 'haze of so-called expertise' acquire insulation from

accountability." In re Lee, 277 F.3d 1338, 1345, 61 USPQ2d 1430, 1435 (Fed. Cir. 2002).

Thus, while the claimed method would appear to be a common sense extension of a typical mental exercise to an automated method regarding a determination of the most profitable way to dispose of an electronic product, evidence of the obviousness of this approach must be provided by the references of record. Unfortunately, in our view, the examiner has not provided the requisite evidence.

Suzuki is directed to an article recycling system which decides a recycle processing for an article in accordance with recycling rules. It also takes into account harmful/hazardous materials (e.g., column 31, lines 17-29). However, we find nothing in Suzuki directed to determining a hazardous materials handling expense. We also find nothing in Suzuki directed to determining a labor expense to remove each of the parts from the electronic product, though the reference does recognize that a certain number of hours will be expended in the disassembling process (column 35, lines 23-25). Suzuki also discloses nothing about constructing a computer model for determining the various claimed values and for making the decision, based on these determinations, to offer the electronic product for resale, or to remove the parts and offer the parts for resale, etc.

Moreover, we agree with appellants that Graff is simply not analogous art. Graff is directed to real estate or tax exempt securities transactions and, while Graff mentions the right words anent "the optimal choice" (column 6, line 25) "to maximize profitability of the components" (column 6, line 26), we see no reason that the skilled artisan would have turned to such real estate/tax exempt securities teachings to seek modifications in a recycling system, such as Suzuki's.

The test for analogous art outside an inventor's field of endeavor is whether the art pertains to the particular problem confronting the inventor. In re Clay, 966 F.2d 656, 659, 23 USPQ2d 1058, 1060 (Fed. Cir. 1992).

Clearly, Graff is outside appellants' field of endeavor as it has nothing to do with recycling of electronic products or any other product. Thus, we look to see if Graff pertains, in some way, to the particular problem confronting the inventor. The problem confronting the inventors in the instant case is one of determining the most advantageous way, from an economical standpoint, to disposing of an electronic product. It is true that Graff employs a computer to determine certain economic, or financial, benefits in disposing of a "product," but since the "product" of Graff has nothing to do with electronic products, and would not involve labor expenses, hazardous material expenses, or many of the other considerations of recycling

electronic products, we cannot conceive that the artisan would have viewed Graff as pertaining to the particular problem faced by appellants.

Since Graff is art which is non-analogous to Suzuki or to the instant claimed invention, it was improper for the examiner to combine Graff with Suzuki to make a finding of obviousness, within the meaning of 35 U.S.C. §103.

Our analysis supra anent instant claim 1 is also applicable to the other claims on appeal.

Accordingly, because, in our view, the examiner has not established the requisite case of prima facie obviousness, we will not sustain the rejection of claims 1, 2, and 5-10 under 35 U.S.C. §103.

The examiner's decision is reversed.

REVERSED



ERROL A. KRASS

Administrative Patent Judge

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JOSEPH L. DIXON

Administrative Patent Judge

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HOWARD B. BLANKENSHIP

Administrative Patent Judge

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